

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 2000-0231-C - ORDER NO. 2000-1009  
DECEMBER 14, 2000

IN RE:	Application of TeleCents Communications,	)	ORDER
	Inc. for Authority to Operate As A Reseller of	)	GRANTING
	Interexchange Telecommunications Services	)	CERTIFICATE FOR
	Within the State of South Carolina	)	LONG DISTANCE
		)	AUTHORITY

This matter comes before the Public Service Commission of South Carolina (the "Commission") by way of the Application of TeleCents Communications, Inc. ("TeleCents Communications" or the "Company") requesting a Certificate of Public Convenience and Necessity authorizing it to provide intrastate resold interexchange telecommunications services between and among locations within the State of South Carolina as a non facilities-based interexchange telecommunications service provider. The Company's Application was filed pursuant to S.C. Code Ann. § 58-9-280 (Supp. 1999) and the Regulations of the Public Service Commission of South Carolina.

The Commission's Executive Director instructed TeleCents Communications to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the affected areas. The purpose of the Notice of Filing was to inform interested parties of TeleCents Communication's Application and of the manner and time in which to file the appropriate pleadings for participation in the proceeding. The Company complied with this instruction and provided the Commission with proof of publication of the Notice of Filing.

A hearing was convened on October 4, 2000, at 10:30 a.m. in the Commission's Hearing Room at 101 Executive Center Drive, Columbia, South Carolina. The Honorable William Saunders, Chairman, presided. TeleCents Communications was not represented by counsel. Jocelyn D. Green, Staff Counsel, represented the Commission Staff.

Mr. Mark Lauzon, Vice President and Sales Manager of TeleCents Communications, appeared and testified in support of the Company's Application. As Vice President and Sales Manager of TeleCents Communications, Mr. Lauzon's job duties include developing relationships with other distributors of telecommunications, attending various conferences, and staying abreast of the telecommunications industry. The record reveals that Mr. Lauzon began working in the telecommunications industry in 1992 as an independent representative/reseller of prepaid calling cards, representing several companies, and distributing cards throughout the United States. Additionally, the record reveals that Mr. Lauzon became employed with TeleCents Communications in 1997 as a sales representative and in 1998 became a sales manager.

Lauzon testified TeleCents Communications is a full-service telecommunications provider, which specializes in prepaid services. Further, the Company is privately-owned and debt-free. TeleCents Communications' primary service is prepaid debit cards. The Company also intends to offer direct-dialed services, flat rate services, 800 inbound services, and travel cards in South Carolina.

TeleCents Communications, according to the testimony, has been providing telecommunications services since 1997. The Company is currently certified to provide its services in numerous states including Arkansas, Texas, Utah, and Wyoming. According to

Lauzon, TeleCents Communications is operating in good standing in all the states where it has received authority to provide its services. Additionally, the Company has never been denied authority in any state where it has applied for authority nor has the Company ever had authority revoked in any state where it has been granted authority. Additionally, TeleCents Communications has never been the subject of an investigation, fined or sanctioned by a state or federal regulatory body.

The Company owns a switch which is collocated in an AT&T office in Michigan. TeleCents Communications will utilize the switch in Michigan to route traffic that originates in South Carolina. Qwest and AT&T will be utilized as the underlying carriers for calls that originate in South Carolina. The Company's customer service department is located in Missouri; this department is open and accepts customers' calls twenty-four hours a day, seven days a week. Cynthia Brown is the regulatory contact person for the Company.

Regarding the Company's managerial ability to offer telecommunications services in South Carolina, the record reveals Cynthia Brown is the Corporate Secretary and Officer Manager and Jeffrey P. Lauzon is the President and Chief Executive Officer of TeleCents Communications. Ms. Brown has twenty-three years of experience in sales, management, consulting and office administration. Prior to becoming employed with TeleCents Communications, Ms. Brown worked for a Drug-free Workplace consulting firm. Brown's duties at TeleCents Communications include all inventory records, processing orders, support for sales and customer service departments, and assisting the CEO. Jeffrey Lauzon began working in the telecommunications industry in 1993 under the name of Pulse Communications, which eventually became TeleCents Communications, as a reseller of prepaid calling cards, acting as an

independent representative for many card companies and selling cards throughout the United States. In 1995, Mr. Lauzon began a debit card platform by purchasing his own switch and began working under contract with LCI/Qwest Communications, providing telecommunications services. Mr. Lauzon's job responsibilities include the daily operation of TeleCents Communications.

The record also reveals the Company's financial ability to offer telecommunications services in South Carolina. Mr. Lauzon states in his testimony that TeleCents Communications has sufficient financial resources and ability to provide the telecommunications services for which authority is sought. The record reveals that as of March 31, 2000, the Company's total current assets were \$78,450.00 and its total current liabilities were \$42,506.00.

Mr. Lauzon stated that the Company's name will appear on its prepaid calling cards. Additionally, the Company's customer service number and rates will appear on its prepaid calling cards. The Company will market its prepaid calling cards in South Carolina through distributors, magazine advertisements, radio and independent sales agents. The Company will not utilize telemarketers in South Carolina.

TeleCents had not provided long distance services in South Carolina as of the date of the hearing. Additionally, the Company had not marketed its services in South Carolina prior to the hearing. TeleCents Communications had also not received any revenues from the completion of intrastate calls in South Carolina prior to the hearing.

After full consideration of the applicable law, the Company's application, and the evidence presented at the hearing, the Commission hereby issues its findings of fact and conclusions of law:

### **FINDINGS OF FACT**

1. TeleCents Communications is organized as a corporation under the laws of the State of Michigan and is authorized to do business as a foreign corporation in the State of South Carolina by the Secretary of State.
2. TeleCents Communications operates as a non facilities-based reseller of interexchange services and wishes to provide its services in South Carolina.
3. TeleCents Communications has the experience, capability, and financial resources to provide the services as described in its Application.

### **CONCLUSIONS OF LAW**

1. Based on the above findings of fact, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to TeleCents Communications to provide intrastate interLATA service and to originate and terminate toll traffic within the same LATA, as set forth herein, through the resale of intrastate Wide Area Telecommunications Services (WATS), Message Telecommunications Service (MTS), Foreign Exchange Service, Private Line Service, or any other services authorized for resale by tariffs of carriers approved by the Commission.
2. The Commission adopts a rate design for TeleCents Communications for its resale of interexchange services which includes only maximum rate levels for each tariff charge. A rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels has been previously adopted by the Commission. In Re: Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

3. TeleCents Communications shall not adjust its interexchange rates below the approved maximum level without notice to the Commission and to the public. TeleCents Communications shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances which do not affect the general body of subscribers or do not constitute a general rate reduction. In Re: Application of GTE Sprint Communications, etc., Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed increase in the maximum rate level for interexchange services reflected in the tariff which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provision of S.C. Code Ann. §58-9-540 (Supp. 1999).

4. If it has not already done so by the date of issuance of this Order, TeleCents Communications shall file its revised tariff and an accompanying price list within thirty (30) days of receipt of this Order. The revised tariff shall be consistent with the findings of this Order and shall be consistent with the Commission's Rules and Regulations.

5. TeleCents Communications is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers and facilities-based interexchange carriers should be treated similarly.

6. With regard to the Company's resale of service, an end-user should be able to access another interexchange carrier or operator service provider if the end-user so desires.

7. TeleCents Communications shall resell the services of only those interexchange carriers or LECs authorized to do business in South Carolina by this Commission. If TeleCents Communications changes underlying carriers, it shall notify the Commission in writing.

8. TeleCents Communications shall file surveillance reports on a calendar or fiscal year basis with the Commission as required by Order No. 88-178 in Docket No. 87-483-C. The proper form for these reports can be found at the Commission's web site at [www.psc.state.sc.us/forms](http://www.psc.state.sc.us/forms). The title of this form is "Annual Information on South Carolina Operations For Interexchange Companies and AOS". Be advised that the Commission's annual report for telecommunication companies requires the filing of intrastate revenues and intrastate expenses.

9. The Company shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, tests and repairs. In addition, the Company shall provide to the Commission in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours. TeleCents Communications shall file the names, addresses and telephone numbers of these representatives with the Commission within thirty (30) days of receipt of this Order. The "Authorized Utility Representative Information" form can be found at the Commission's web site at [www.psc.state.sc.us/forms](http://www.psc.state.sc.us/forms); this Form shall be utilized for the provision of this information to the Commission. Further, the Company shall promptly notify the Commission in writing if the representatives are replaced.

10. With regard to the origination and termination of toll calls within the same LATA, TeleCents Communications shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993), with the exception of the 10-XXX intraLATA dialing requirement, which has been rendered obsolete by the toll dialing parity rules established by the Federal Communications Commission, pursuant to the Telecommunications Act of 1996 (See, 47 CFR 51.209).

11. As a condition of offering debit card services, the Commission requires the Company to post with the Commission a bond in the form of a Certificate of Deposit worth \$5,000 drawn in the name of the Public Service Commission of South Carolina or a surety bond in the amount of \$5,000 which is payable to the Commission. The Certificate of Deposit shall be drawn on federal or state chartered banks or savings and loan associations which maintain an office in this state and whose accounts are insured by either the FDIC or the Federal Savings and Loan Insurance Corporation. A surety bond shall be issued by a duly licensed bonding or insurance company authorized to do business in South Carolina. This condition may be reviewed in one year.

12. If the Company sells its debit cards to retail establishments for resale of the debit cards, and the retailer of the debit cards deviates from the suggested retail price as filed in the tariff, or as approved by the Commission in a special promotion, then the Company will withdraw its cards from that retail outlet. This Commission strongly suggests that the Company enter into written agreements with its South Carolina retail outlets regarding this policy of abiding by suggested retail pricing prior to the outlet marketing the card.



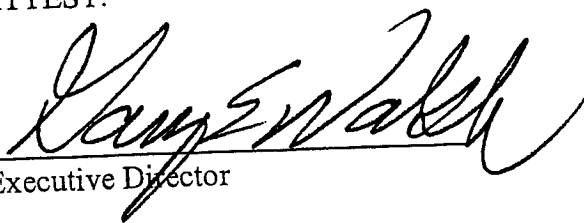
13. The Company is directed to comply with all Rules and Regulations of the Commission, unless a regulation is specifically waived by the Commission.

14. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

  
Chairman

ATTEST:

  
Executive Director

(SEAL)